

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

TAIWAN NAVIGATION CO., LTD., and
TAIWAN NAVIGATION (HONG KONG) CO., LTD.,

Plaintiffs,

v.

SWELLCHIEF SHIPPING CO., LTD.,

Defendant.

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08 CV 4380 (CM)

**STIPULATION
AND ORDER**

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WHEREAS, on May 9, 2008, Plaintiffs Taiwan Navigation Co., Ltd., and Taiwan Navigation (Hong Kong) Co., Ltd., (hereinafter collectively "TNC") filed a verified complaint against Defendant Swellchief Shipping Co., Ltd., (hereinafter "Swellchief") and, subsequently, obtained an Order and Process of Maritime Attachment and Garnishment pursuant to Rule B of the Supplemental Rules for Admiralty and Maritime Claims in the amount of US \$749,595.91;

WHEREAS, the Order and Process of Maritime Attachment and Garnishment was served upon several banking institutions located in the Southern District of New York, as garnissees, and money belonging to Defendant Swellchief was attached;

WHEREAS, garnishee banks Bank of America is currently restraining US \$110,000.00 (originator Swellchief / beneficiary China Airlines Ltd.) and Citibank is currently restraining US \$32,000.00 (originator Swellchief / beneficiary Shanghai Swellchief Int'l Forwarding) in accordance with the Process of Maritime Attachment and Garnishment;

WHEREAS, on July 7, 2008, Plaintiff TNC obtained a judgment from the High Court of the Hong Kong Special Administrative Region, in accordance with the terms of the underlying maritime contract between the parties, and in the amount of US \$749,595.91, including awardable interest, plus HKD 1,550.00 in costs against Swellchief;

WHEREAS, TNC and Swellchief have entered into settlement discussions and, as a condition of continuing these discussions, Swellchief has agreed to assign the attached funds, in the aggregate of US \$142,000.00 and restrained at Bank of America and Citibank respectively, to TNC as a show of good faith and in partial payment of the outstanding claims of TNC against Swellchief;

IT IS HEREBY STIPULATED AND AGREED by and between the undersigned, that the attached funds in the amounts of US \$110,000.00 at Bank of America and US \$32,000.00 at Citibank are to be released forthwith in accordance with the instructions of the attorneys for Plaintiff TNC.

Dated: September 3, 2008

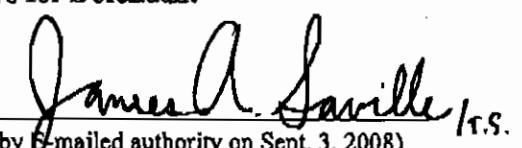
CHALOS, O'CONNOR & DUFFY, LLP
Attorneys for Plaintiffs

By:

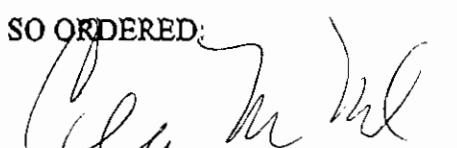

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SO ORDERED:


Hon. Colleen McMahon, U.S.D.J.

9-3-08